

# Rudd tackles urban planning

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Mr Rudd outlined the initiative just days after Treasury secretary Ken Henry expressed concern about the impact of faster than expected population growth and a parliamentary inquiry warned about the cost of climate change to waterfront property.

The Prime Minister said the plan would necessitate overhauling federal-state arrangements and would be developed next year.

While the plan means extending federal government responsibility for functions now undertaken by state and local government, Mr Rudd said the commonwealth did not want a direct role in day-to-day planning decisions by these levels of government. "No commonwealth minister wants to decide development applications or where to lay sewerage pipes."

But he said the national focus was needed because while some city plans were good, implementation was not.

The nature of major cities would have to change by increasing population density to meet the challenge of a population estimated by Treasury to grow to 35 million by 2049, Mr Rudd warned.

For this reason, the national cities plan criteria for infrastructure funding would include balancing infill with greenfield development and a far stronger focus on public transport.

Road congestion was already costing more than \$9 billion and would cost an estimated \$18 billion over the next decade, Mr Rudd said, as he urged the importance of cutting road congestion and bottlenecks in the rail and port system, raised by business as a major constraint on the economy's recovery.

Mr Rudd's comments on the impact of road congestion follow those of the Treasury secretary, who flagged possible "congestion taxes" and a new user-pays system of transport charges as part of longer-term tax reform.

Mr Rudd said one of the factors driving increased reliance on road use was under-investment in public transport networks, which were experiencing growing use.

Acknowledging business concerns about infrastructure transport bottlenecks restricting exports because of congested ports and rail and road links, Mr Rudd



Guests at the Business Council of Australia dinner, clockwise from top left: Prime Minister Kevin Rudd; Visy Industries' Anthony Pratt; Fortescue Metals' Andrew Forrest; the CBA's Ralph Norris; NZ's Mike Smith (centre) and the BCA's Graham Bradley (right).

Photos: JIM RICE



## PM sets the goals and penalties

COMMENT  
Robert Harley

Kevin Rudd is following a strong Labor tradition of involvement in the nation's cities — but in his own way.

The program outlined last night is not a rerun of the Better Cities program of Paul Keating and Brian Howe.

Nor does it follow the aspirational spending of Gough Whitlam and Tom Uren.

The Prime Minister is building a planning framework. He has set the goals; a nation of 35 million people, most of whom will live in cities he wants to be less congested, more affordable and more sustainable.

But he is also setting the mechanism. And the penalties for poor performance.

He will use the Council of Australian Governments' and Commonwealth's infrastructure spend. Those states that don't achieve the target will not get the money.

Hopefully the new system will force a reworking of the constipated planning processes that in so many states have so frustrated the private sector.

It's almost as if Mr Rudd, in his determination to spend the stimulus, discovered the lack of strategic outlook, the constant delays and the intergovernment fighting that so annoy private developers whether they are trying to build houses or ports.

Property Council of Australia chief executive Peter Verwer said of the proposal: "It sets out a range of criteria on which to assess the validity of the states' bids for money. They will have to tick all the boxes. And this all adds up to a better planning system."

"We would encourage the government to evolve this strategy to a national competition-style policy," he said.

Of course it won't be easy. Take just one goal set by the Prime Minister last night, "the balancing in-fill and greenfield development". State government, local government and residents have been at loggerheads over that issue for years.

said one of the criteria to be met for future funding was to provide for upgrading such transport corridors.

He said that upgrading transport and communications were key parts of the federal government's long-term plan for economic recovery and to improve productivity as well as upgrading city amenities.

This follows the release of the Business Council of Australia's recent report calling for a national approach to solving infrastructure bottlenecks and a greater role for COAG and the Productivity

Commission instead of Infrastructure Australia.

City mayors, led by Sydney's Clover Moore, have lobbied the federal government to become involved in city planning because of the role cities play in the national economy and because of dissatisfaction with state government management.

Also, some developers have sought a more coherent approach to urban and infrastructure development that would involve a more competitive assessment of

government funding demands.

To ensure cities were prepared for the impact of climate change in future years, Mr Rudd said the national approach would require credible plans to reduce greenhouse gas emissions.

This would include energy efficiency measures, changes to town planning and revisions to building codes and regulations, as well as assessments of the risks of climate change.